GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:6763
ANSWERED ON:09.05.2000
UREA PROJECTS ABROAD
CHANDRA BHUSHAN SINGH

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of urea projects abroad cleared by the Government as on date;

(b) the present status of the on going projects abroad as on date; and

(c) the details of projects cleared for implementation in the country during the last three years and the present status thereof as on date?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI RAMESH BAIS)

(a) & (b): The details of urea projects abroad cleared by the Government and their present status are given below:-

(i) Government has approved the investment by Rashtriya Chemicals & Fertilizers Ltd. (RCF) and Krishak Bharati Cooperative Ltd (KRIBHCO) of US $ 69 million each in the equity of Oman India Fertilizer Company, namely, Oman Oil Company SAOC for setting up a joint venture fertilizer project in Oman for production of 14.52 lakh tonnage per annum (TPA) of granulated urea and 3.3 lakh TPA of merchant grade ammonia at an estimated capital cost of US $ 1106 million. However, on account of subsequent sharp decline in urea prices in the international market, it became necessary to revise and restructure the project. The revised and restructured proposal is underway for approvals of the competent authority in the Government.

(ii) M/s Southern Petro-chemicals Industries Corporation Ltd. (SPIC) is implementing a joint venture, namely, SPIC Fertilizers and Chemicals Ltd. at Jebel Ali near Dubai in the United Arab Emirates for the production of 3.96 lakh MT of urea per annum at an estimated cost of US $ 160 million. The equity share capital of SPIC in the proposed joint venture company would be 51% and that of foreign partners would be 49%. The joint venture company was incorporated on 28.9.1998. The overall progress on the project has been reported to be about 57% as on 31.3.2000.

(c): As per the industrial policy resolution dated 24th July 1991, no license is normally required for setting up / expansion of fertilizer plants. Entrepreneurs are free to set up fertilizer projects anywhere in the country subject to environmental clearance. Public Sector Undertakings / Cooperative Societies under the administrative control of the Department of Fertilizers have however to obtain approval of the Government before undertaking such capital expenditure beyond their delegated powers.

The details of such proposals cleared for implementation by the Government during the last three years are given below:-

(i) National Fertilizers Limited (NFL) urea expansion project at Nangal, Punjab for expansion of the existing production capacity of urea by 1.48 lakh tonnes per annum

(TPA) at an estimated cost of Rs. 135.13 crore was approved by the Government in May 2000. The project is scheduled to be commissioned by 11.5.2001. A total expenditure of Rs. 24.83 crore has been incurred on the project till the end of April 2000 and it has achieved an overall physical progress of 64.1% against the schedule of 49.9%.

(ii) The revamp of the Namrup plants of Hindustan Fertilizer Corporation Ltd. (HFC), at an approved cost of Rs. 350 crore approved by the Government in October 1997 is under implementation. After revamp, the plant will have the capacity of 5.3 lakh TPA of urea. A total expenditure of Rs. 29.88 crore has been incurred on the project till the end of March 2000 and it has achieved an overall physical progress of 53.80% against the schedule of 68.40%.